

**Notice of Allowability**

Application No.

09/447,524

Applicant(s)

TREIDER ET AL.

Examiner

David R. Vincent

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**-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address--**

All claims being allowable, PROSECUTION ON THE MERITS IS (OR REMAINS) CLOSED in this application. If not included herewith (or previously mailed), a Notice of Allowance (PTOL-85) or other appropriate communication will be mailed in due course. **THIS NOTICE OF ALLOWABILITY IS NOT A GRANT OF PATENT RIGHTS.** This application is subject to withdrawal from issue at the initiative of the Office or upon petition by the applicant. See 37 CFR 1.313 and MPEP 1308.

1. ☒ This communication is responsive to 6/22/05.
2. ☒ The allowed claim(s) is/are 1 and 6-16.
3. ☐ The drawings filed on \_\_\_\_\_ are accepted by the Examiner.
4. ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some\* c) ☐ None of the:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this national stage application from the International Bureau (PCT Rule 17.2(a)).

\* Certified copies not received: \_\_\_\_\_.

Applicant has THREE MONTHS FROM THE "MAILING DATE" of this communication to file a reply complying with the requirements noted below. Failure to timely comply will result in ABANDONMENT of this application.

**THIS THREE-MONTH PERIOD IS NOT EXTENDABLE.**

5. ☐ A SUBSTITUTE OATH OR DECLARATION must be submitted. Note the attached EXAMINER'S AMENDMENT or NOTICE OF INFORMAL PATENT APPLICATION (PTO-152) which gives reason(s) why the oath or declaration is deficient.
6. ☒ CORRECTED DRAWINGS ( as "replacement sheets") must be submitted.
- (a) ☒ including changes required by the Notice of Draftsperson's Patent Drawing Review ( PTO-948) attached
- 1) ☒ hereto or 2) ☐ to Paper No./Mail Date \_\_\_\_\_.
- (b) ☐ including changes required by the attached Examiner's Amendment / Comment or in the Office action of Paper No./Mail Date \_\_\_\_\_.
- Identifying indicia such as the application number (see 37 CFR 1.84(c)) should be written on the drawings in the front (not the back) of each sheet. Replacement sheet(s) should be labeled as such in the header according to 37 CFR 1.121(d).
7. ☐ DEPOSIT OF and/or INFORMATION about the deposit of BIOLOGICAL MATERIAL must be submitted. Note the attached Examiner's comment regarding REQUIREMENT FOR THE DEPOSIT OF BIOLOGICAL MATERIAL.

**Attachment(s)**

- ☒ Notice of References Cited (PTO-892)
- ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- ☒ Information Disclosure Statements (PTO-1449 or PTO/SB/08), Paper No./Mail Date 7
- ☐ Examiner's Comment Regarding Requirement for Deposit of Biological Material
- ☐ Notice of Informal Patent Application (PTO-152)
- ☒ Interview Summary (PTO-413), Paper No./Mail Date 8
- ☒ Examiner's Amendment/Comment
- ☒ Examiner's Statement of Reasons for Allowance
- ☐ Other \_\_\_\_\_

  
HYUNG SOUH  
SUPERVISORY PATENT EXAMINER  
TECHNOLOGY CENTER 3600

#15/6  
11.18.05

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1. An examiner's amendment to the record appears below. Should the changes and/or additions be unacceptable to applicant, an amendment may be filed as provided by 37 CFR 1.312. To ensure consideration of such an amendment, it MUST be submitted no later than the payment of the issue fee.

Authorization for this examiner's amendment was given in a telephone interview with Eric Nelson on 6/22/05.

The application has been amended as follows:

**In THE CLAIMS:**

1. (Currently amended) A method of electronic factoring, the method comprising providing an electronic platform for use by a plurality of buyers, vendors and at least one financial institution for factoring receivables, wherein the electronic platform is not administrated by the vendors;

receiving, in the electronic platform, application information that is provided directly from the buyers,

electronically assigning, in the electronic platform, each of the buyers a credit limit for factoring of receivables owed the vendor, said receivables being generated from the purchase of goods or services to the buyer from the vendor, wherein the credit limit indicates a transaction limit of the buyer for purchasing goods or services in exchange for said receivable to the vendor;

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electronically receiving, in the electronic platform,  
transaction information that describes a transaction between one  
of the buyers and a vendor, wherein the transaction creates a  
receivable for the vendor, and wherein as part of the transaction  
the buyer is obligated to pay the vendor a payable;

electronically accessing the electronic platform for  
verification of credit availability for the transaction;

electronically sending the vendor a transaction authorization  
message; and

electronically assigning, in the electronic platform,  
ownership of the receivable of the vendor to a financial  
institution.

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Claims 2-5 have been cancelled.

Claims 17-21 have been cancelled.

#### **REASONS FOR ALLOWANCE**

2. The following is an Examiner's statement of reasons for  
allowance: Claims 1, and 6-16 are considered allowable since when  
reading the claims in light of the specification, as per MPEP §  
2111.01 or In re Sneed, 710 F.2d 1544, 1548, 218 USPQ 385, 388  
(Fed. Cir. 1983), none of the references of record alone or in

combination disclose or suggest the combination of limitations specified in the independent claims.

The Applicant has claimed a novel method of providing a factoring service, which key features are:

1) having the buyer of the product in a transaction with a vendor, which transaction creates the receivable being factored, submit an electronic (factoring) platform membership and credit application to an electronic (online) factoring platform directly; bypassing the vendor,

2) having that electronic factoring platform not being administered by the vendor. It also has additional features in combination with the above two features:

A) the electronic platform assigning the buyer a credit limit for the purchase of goods and services that generate the receivable to be factored via the electronic platform, and administering that credit line for each separate buyer transaction, and

B) assigning ownership of the receivable (factoring) via the electronic platform.

The closest prior art is Tarter et al (US 5,704,044 A) which is also the best U.S. reference which discloses online factoring

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of insurance receivables from retail pharmacies, whose receivables are the balance due by the customer from their insurance after co-payment is made. The customer provides the pharmacy with their insurance information and the pharmacy forwards this information to a "system operator" like the Pharmacy Fund (assignee of Tarter patent), which is the factor or buyer of the pharmacy receivables (the financial institution). The Pharmacy Fund operates the equivalent of an electronic platform and, in order to perform the factoring service on a real-time basis, they inherently maintain a file of, and credit rate, all possible insurance coverage's and maintain an individual file for each customer as to how much of their coverage they have used for any particular prescription in any given time period, and by definition what they have remaining for the next purchase. The coverage and customer files are inherently and operationally shared online with the pharmacies. The insurance coverage acts as a credit limit for both the total prescriptions per year and by individual prescription by time period, and each additional purchase reduces the credit balance available for the next prescription. The Pharmacy Fund pays the pharmacies for the receivable and then collects the amount due from the insurance sources of the individual customers.

However, the customers of the pharmacies are providing their insurance (insurance credit) information to the pharmacy (vendor),

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not directly to the electronic platform of Pharmacy Fund. Consequently Tarter et al does not teach buyers making direct contact with an electronic platform to provide it with either customer information or to request membership in the factoring platform; nor there is there any other prior art that teaches the unique features of this application.

Paul Carrubba, in Principles of Banking, 1994, defines a factor as "A financial organization that purchases at a discount the accounts receivable of other firms (vendors) and assumes the risks and responsibilities of collection." Historically (for decades and probably centuries) vendors have generated receivables from selling goods or services and then in turn have provided customer credit information to the factor in order to induce them to purchase the receivable from them.

But the information flow has been from customer to the vendor and then from the vendor to the factor. They have done this by and large whenever the credit of the customer is better than that of the vendor. If the vendor's credit were better than that of the customer, then the vendor would himself borrow the money from a financial institution and then act as a lender to the customer in which case there would be no factoring of the receivable.

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In the past 6 years, factors have gone online to better enable the purchase of receivables from vendors, but the information flow has remained the same: customer to vendor to factor.

The Applicant has altered that flow of information to: from customer directly to electronic platform, wherein the vendor is not administering the platform, and then has also included the features of granting and administering buyer credit limits and providing factoring services via an electronic platform in combination with that alteration in the flow of information.

3. The prior art of record, although not cited above, is considered pertinent to one or more of Applicant's claimed inventions:

Other U.S. references:

Field (US6,073,104 A), which teaches the aggregation of patient receivables by healthcare providers in order to sell those receivables to asset backed commercial paper conduits, which is a form of factoring.

Hartley-Urquhart (US 6,167,385 A), which teaches a method of the buyer, having a lower cost of borrowing, making credit arrangements with a financial institution to automatically access the buyer's invoice database, calculate the financing applicable

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to the transaction, and then make payment to the vendor, with the buyer then paying the financial institution upon maturity.

Mandler et al (US 5,732,400A), which teaches a risk based discount fee as a function of the buyers risk classification in order to establish a payment amount to the seller from the clearinghouse.

**Closest Foreign Case:**

Taubenschlag (AU-B-56325198), which teaches for international commerce the use of insured unsecured irrevocable assignable bank guarantees and letters of credit to use the credit of the buyer to have a bank make payment to the vendor, and then the buyer pays back the bank upon maturity.

**Closest Non Patent Littérature:**

The Pharmacy Fund Inc., July 15, 1996, New York (Business Wire), which discloses online factoring of receivables from retail pharmacies.

**Other Non Patent Literature**

Steven Marlin, Crestmark Bank Offers Factoring, July, 1998, Bank Systems and Technology, which teaches Crestmark using the Internet to deliver its factoring services to vendors, which online services began in 1996.



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Internet, April 29, 1999, 21St Capital Corp., which teaches the use of the Internet to deliver its factoring services to vendors, which website started in April, 1998. Internet, April 14, 1997, Capital Factors, which teaches the use of the Internet to deliver factoring services to vendors.


Any comments considered necessary by Applicant must be submitted no later than the payment of the issue fee and, to avoid processing delays, should preferably accompany the issue fee. Such submissions should be clearly labeled "Comments on Statement of Reasons for Allowance."

Any inquiry concerning this communication or earlier communications from the examiner should be directed to David R Vincent whose telephone number is 703 305 4957. The examiner can normally be reached on M-TH.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Sam Sough can be reached on 571 272 6799. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

 6/22/05  
David R Vincent

Primary Examiner

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June 22, 2005